

Minutes of Meeting
Health Services Council
Project Review Committee-I

DATE: 18 October 2005

TIME: 3:00 PM

LOCATION: Beck Conference Room

ATTENDANCE:

Committee I: Present: Victoria Almeida, Esq, (Vice Chair), Edward F. Almon, John W. Flynn, Robert S.L. Kinder, MD, Richard Lepine, Robert J. Quigley, DC, (Chair), Robert Ricci

Not Present: Joseph V. Centofanti, MD, John Keimig, Robert Whiteside, John Young

Excused Absence: Robert L. Bernstein

Other Members: Present: Larry Ross

Staff: Valentina D. Adamova, Michael K. Dexter, Joseph G. Miller, Esq., Donald C. Williams, Jacqueline Steiner (Intern)

Public: (Attached)

1. Call to Order, Approval of Minutes, Conflict of Interest Forms and Time Extension for the Minutes Availability

The meeting was called to order at 3:00 PM. The Chairman noted that conflict of interest forms are available to any member who may have a conflict. The Chairman requested a motion for the extension of time for the availability of minutes pursuant to the Open Meetings Act. A motion was made, seconded and passed by six in favor and none opposed (6-0) that the availability of the minutes for this meeting be extended beyond the time frame provided for under the Open Meetings Act. Those members voting in favor were: Almon, Flynn, Kinder, Lepine, Quigley, Ricci.

2. General Order of Business

The first item on the agenda was the application of Women & Infants Hospital of Rhode Island for a Certificate of Need to construct a five-story addition and increase the number of NICU bassinets and licensed bed capacity for obstetric services.

The Committee reviewed the written responses provided by the applicant to questions and advisories. Mr. Ross recommended that the term of borrowing reflect the term of the average useful life.

A member inquired if the amount of equity put into the project would stay the same regardless of whether the capital cost was actually below the proposed \$64 million. The applicant stated that they intend to borrow as little as possible. A question was asked about whether the C-section rates were standard for the region. The applicant stated that they tend to be below national numbers than comparable hospitals around the country. The applicant noted that this is based on patients' demand.

The Committee and the applicant discussed the issue of a primary care center and efforts to reduce utilization of the Emergency Room. The applicant stated that they are looking at this issue. Discussion ensued about the Medical Home model, which would maintain continuity of care to children. The aim is to decrease the impact of pre-maturity and decrease re-hospitalization or unnecessary emergency room usage. It would be a model system with nurse practitioners and primary care doctors seeing patients on an outpatient basis. The applicant noted that they've had many conversations on this issue.

Ms. Almeida recommended the following conditions of approval: that the maximum capital cost be \$64,000,000 maximum debt be \$30,000,000, terms of borrowing not to exceed 26 years, operating expenses be \$10,992,000. Staff asked the applicant to confirm that if the total project cost is below the proposed capital cost of \$64 million, that the applicant would still contribute \$34 million in equity.

Ms. Almeida stated that this is included as part of her equity condition of approval recommendation.

A motion was made, seconded and passed by a vote of five in favor and two opposed (5-2) to recommend approval with the conditions that the maximum capital cost be \$64,000,000 maximum debt be \$30,000,000, terms of borrowing not to exceed 26 years, operating expenses be \$10,992,000. Those members voting in favor of the motion were: Almeida, Almon, Kinder, Quigley, Ricci. Flynn and Lepine opposed.

Discussion ensued about the appropriateness of the condition of approval that limits the term of borrowing to 26 years. Two members did not approve of such a condition being imposed upon the applicant and stated that is why they voted against the project. A recommendation was made to overturn the previous approval and instead approve the application with amended conditions excluding the condition of approval regarding the term of borrowing.

A motion was made, seconded and passed by a vote of seven in favor and none opposed (7-0) to reconsider the approval. Those members voting in favor of the motion were: Almeida, Almon, Flynn, Kinder, Lepine, Quigley, Ricci.

A motion was made, seconded and passed by a vote of seven in favor and none opposed (7-0) to recommend approval with the conditions

that the maximum capital cost be \$64,000,000 maximum debt be \$30,000,000, terms of borrowing be 30 years, operating expenses be \$10,992,000 and equity be \$34,000,0000. Those members voting in favor of the motion were: Almeida, Almon, Flynn, Kinder, Lepine, Quigley, Ricci.

Staff noted that the next full Health Services Council meeting is scheduled for 1 November 2005.

There being no further business the meeting was adjourned at 4:35 PM.

Respectfully submitted,

Valentina D. Adamova